

To: Members of the Banking Committee
From: Darryl Hotaling, CCMC, Assistant Tax Collector, Town of Thomaston
Date: March 7, 2016
Subject: Opposition to Raised S. B. No. 408, An Act Concerning the Protection of Delinquent Homeowners

Although proposed S. B. No. 408 is being introduced in an effort to protect delinquent homeowners, I believe this bill, if passed, would be a great disservice to all the homeowners that pay their taxes on time. This bill is rewarding people who pay late by giving them a lower interest rate, and yet the homeowners that pay on time all the time are rewarded with higher mill rates. I urge you to not pass this proposed bill.

In my position as Assistant Tax Collector, I have seen many people who are unable to pay their taxes due to medical reasons, loss of employment, death in the family, etc. The tax office works with these taxpayers and most are very grateful for our assistance.

Then you have the people who chronically pay late (the tax office also tries to work with these taxpayers) because they don't know how to budget or choose to not pay on time or choose to take vacations instead of paying their mortgage and/or real estate taxes on time. And then there are others that just choose to walk away from their obligations. Why are we allowing them and the mortgage companies a lower interest rate for bad decisions on their part or the mortgage companies' part?

Also, eliminating the accrual of interest once a lien has been assigned to a third party removes any incentive for a buyer to purchase a lien, thus forcing the municipality to take other measures, such as tax sales or foreclosures.

This would also be a bookkeeping nightmare to try and keep track of all the lis pendens, which can take years to resolve, recorded with the Town Clerk and the resulting lower interest rate.

I urge you to not pass this bill. Please do not reward the delinquent taxpayers for not paying their bills on time. It is a great disservice to timely taxpayers and the municipalities in which they live. It will affect all municipalities in the State of Connecticut and will reduce their revenue when they are already struggling as it is.

Thank you for your time and consideration.